

of the Southern Pacific Hospital service—that it represents the ideal system in medicine; that is, the injured or sick man and his interests, and the man who employs him and his interests, and the doctor who takes care of him and his interests, are absolutely the same—that the patient shall be restored to his fullest working capacity at the earliest possible moment. Whether or not you can produce that ideal system of things for the whole community of inadequately paid workers, or whether it would be wise to produce it if you could, is another question. This plan had its beginning in this part of the country when, as pioneers, bands of men were sent out here to build railroads and telegraph lines, operate mines or mills, and the companies sending them taxed the men to provide them with otherwise uncertain care. The system is not confined to the University Infirmary in Berkeley and the Southern Pacific Hospital, but is operated in organizations. Some pay all the expenses; some tax their people for part of it. It is working in many organizations in San Francisco.

I am not working for the adoption of the plan outlined in Dr. Whitney's paper—the scheme of cooperative medicine—for I am not sure that obligatory systems are best for the American people. I do say that it would be the best way of administering medical care if it could always be ideally operated, that is, through a body of picked men, as the army picks its medical men, promoting them not entirely by seniority, but providing also for periodic examination for promotion. This would introduce more paternalism and do away with the need of half the medical profession. In commerce this is known as combination in restraint of trade. Medical insurance exists in Europe, not because Europeans are a more enlightened people than we are. It exists in unenlightened Austria, in bureaucracy ridden Germany and Russia, because the truly horrible conditions that hold among the people forced such measure, to prevent revolution.

Do we need the protection of this sort of thing? That is the question you should think of before you become parties to such legislation, and having accepted the principles of sickness insurance you must see all its consequences—of enforced physical examination, the need of a maternity clause, of invalidity insurance, of old age pension and protection against unemployment, and provide for them, for the bill might easily leave undone much that will need adjustment more than ever, and it may easily create new fields of discontent more serious than any now existing.

Dr. J. L. Whitney, closing: If I seemed to be an advocate of private insurance or any other specific plan it was without my intention. I meant only to show that the insurance method in some form was the logical way of attaining the two great changes in medical practice which seem inevitable: greater cooperation among doctors, and payment by the year. Sometimes it is more feasible to use means which are ready at hand, even though not ideal, than to create an elaborate machinery anew. If insurance methods are to be extended to the middle classes it will probably be by means of private enterprise. If the service offered is not honest and of the best quality the plan will fail as it has hitherto; the success of insurance medicine will depend entirely on its ability to furnish better care than can be had by other means. As to the profit in private insurance, this will have to be largely cut out to meet the competition of a state fund. If the latter can eliminate wasteful expense it will automatically possess itself of the whole field.

I drew rather a fanciful picture of a highly organized system, instead of pointing out the various steps in its development. Of course any practical scheme would begin by utilizing present facilities

to a very large extent, that is the employment of the general practitioner on a fee basis, but we can get a good start toward organization by insisting on thoroughness of inspection and consultation. I am convinced that the system once started will develop of itself.

There is no reason why free choice of physicians should not be combined with the method of payment by insurance. In fact, there is every reason to suppose that either a private carrier or a state fund would give a person a very considerable latitude in choosing from a number of properly accredited physicians. This would not alter the insurance method in principle. But it is worth emphasizing that even if medical service were rigidly prescribed the patient would still have the choice of utilizing the free service, or of paying for a doctor of his own choosing as he now does. We have not free choice of teachers in the public schools, but anyone who wishes may send his children to a private school. I think this matter of free choice of physicians is very likely to be given much more emphasis than it deserves. As far as I am aware the employees of the Southern Pacific Company, for example, make no complaint because they have not an unlimited choice of physicians. If the Company furnishes first-class medical service, I think it will be utilized in practically all cases without complaint.

I do not fear the dependence on insurance companies or state fund which troubles Dr. Rosenstirn. I doubt if the Southern Pacific surgeons feel that their liberty is restricted because they are in the employ of a commercial organization. On the other hand, it is high time that the physician in general should be made responsible to someone—a medical superior of course. Dr. Gibbons will testify that the necessity is becoming urgent of supervising the work of the general practitioner under the compensation act, not for the sake of business efficiency, but to get good medical service.

### SHOULD THE MEDICAL PROFESSION PLEAD IN FAVOR OF THE PROPOSED HEALTH INSURANCE BILL? \*

By JOHN H. GRAVES, M. D., San Francisco.

Before the medical profession can intelligently support any proposition for Health Insurance, it will be necessary first for the proponents of the measure to agree among themselves as to the character of the law and to present clearly their conclusions on the following points:

1. Is any law of this character necessary to the welfare of the people of the State of California?
2. Will the measure be so framed that those who come under the provisions of the act be entirely free to choose their own medical attendants, or will they be compelled, as they now are under the Workmen's Compensation Act, to accept the services of cut-rate physicians, selected by insurance companies?
3. Are the people who are supposed to be benefited by this law desirous of the passage of such a measure?
4. Will the present high standard of medical service rendered to the people of the state be lowered by such a law as it has admittedly been lowered by the passing of the Workmen's Compensation Act; and what effect will the proposed measure have on the doctor's income?
5. Can the proponents of the measure after

\* Read before the San Francisco County Medical Society, September 12, 1916.

they have agreed among themselves, if that be possible, give any assurance that the measure, as presented to the Legislature, will be accepted and made into law without amendments, which would entirely change any or all of the provisions?

I am quoting the opinion and authority of men who have lived among California conditions and studied California subjects from every angle and who have investigated status of life in Europe and Asia and the attempts of the governments of those countries to solve their weighty problems of overbearing poverty. No European sociologist is as competent to judge what is best for California as the man who has lived in and intelligently studied the welfare of the state.

At this point it may be interesting to state that a number of months ago the Commonwealth Club of this city, following its usual custom of investigating carefully and thoroughly legislative measures of importance to the people of this state, appointed a section, I should judge of some twenty-five or thirty members, to study this proposition. In this section are to be found manufacturers, capitalists, philanthropists, representatives of organized labor and members of the medical profession. Having attended a number of conferences of this section, the writer of this paper assures you that not only is there a wide divergence of opinion among the members of this section, who have for some months been studying this subject, but that nearly every proponent of this measure who appears before this section has either original or borrowed ideas different from those previously proposed.

Now to comment on the first proposition. Is any law of this character necessary to the welfare of the people of the State of California?

Those of you who have become interested in this problem know that Germany, Austro-Hungary, Great Britain, Holland, Russia and Roumania have some form of compulsory insurance. While there may be many things made in Germany which are good for some Germans and there may be some things made in Roumania which are good for many Roumanians, it does not necessarily follow that because these laws are tolerated by European people, or have been found necessary to their welfare, that the same law is necessary to the people of California.

This is not a statistical paper, but by way of illustrating the difference between the conditions in Europe and those in California, it was interesting to the writer to read in one of the automobile journals before the great war that there were 90,000 automobiles in the German Empire with its seventy million people. Last week in California there were 208,000 automobiles, including Fords, and we have about three million population. This means the people of Germany have only one machine for every seven hundred inhabitants, and we have one for every fifteen inhabitants, allowing one male voter for every five people leaves one auto to every three male voters. And yet they do not all get to the polls to vote on constitutional amendments such as will

be necessary before the Health Insurance Law can become a possibility in California.

Is it not true that compulsory health insurance may be a good thing for a people who could afford only one auto to every seven hundred inhabitants and not be necessary to the welfare of the people possessing one to every three voters? One of the founders of the American Government said that the best government was the one that governed the least, and if we are to judge by the countless thousands who have left their countries to find an abiding place in the United States, we may safely assume that many of them believe that the system under which we are operating is not wholly bad. Industrially, politically, socially and financially conditions are so different in America, especially in California, from those existing in Europe, that it is fair to believe that we can afford to be originators instead of mere imitators.

Members of the medical profession of the State of California, many of whom have been born and raised within the confines of the State, are anxious to lend their efforts to relieve human misery and suffering in whatever form, but as students of medicine they have learned before beginning treatment to ascertain positively the nature of the disease and to be very careful in selecting the remedy for its treatment.

2. Will the measure be so framed that those who come under the provisions of the act be entirely free to choose their own medical attendants, or will they be compelled, as they now are under the Workmen's Compensation Act, to accept the services of cut-rate physicians, selected by insurance companies, state and private?

This is a question on which there appears to be a great difference of opinion. For instance, at the meeting of this section of the Commonwealth Club on Social Insurance, May 5th, Dr. Bine said that he thought that a limited choice might be possible, but that the patient is not competent to judge what physician is best for him. Others have suggested the so-called "full time" or "full pay" method (this does not mean full fees) by which certain physicians receiving salaries should attend to all of those coming under the provisions of the act.

Mr. Hymen, in accord with Dr. Whitney's ideas, as expressed in his paper this evening, at the meeting of September 1st, thought that all insurance companies should be allowed to write insurance. The medical profession should know by this time that if private casualty companies can exert a sufficient amount of influence, to permit them to write this type of insurance there will be no such thing as free choice of physicians.

Dr. Rubinow has said that the whole spirit of the proposed law necessarily would be unalterably opposed to the writing of insurance by any private casualty company for profit and that the benefits to be derived from this law would be largely overcome if this were permitted. When such a powerful political force as Organized Labor failed utterly to force into the Workmen's Compensation Act a clause permitting the free choice of physi-

cians, it appears to the writer highly improbable that any health insurance measure will be passed through the Legislature that will permit the free choice of physicians.

3. Are the people who are supposed to be benefited by this law desirous of the passage of such a measure?

The best information that I have been able to obtain leads me to believe that they are not only not in favor of, but opposed to, any form of compulsory insurance. Mr. Mullen, editor of a labor publication, whose position entitles him to speak for Organized Labor, on June 2nd, 1916, addressed the section on Social insurance on the attitude of the workmen to the compulsory insurance act. He read a paper on the objections of workmen to Social Insurance, in which he stated that if one-half the energy devoted by social workers in attempts to compel workmen to do what they think is good for the workmen, were directed instead toward the increase in wages then the question of relief of poverty would not be urgent. "The American workman," he said, "does not believe that his freedom of action should be taken away to provide for the insignificant few who have not been able to care for themselves. Further, the workman has no desire to give up his independence even though, from a material standpoint, he may profit thereby." To quote further from Mr. Mullen's paper, he said, "Let the Government once embark upon compulsion and there is no limit to meddling. It is true," he said, "that there are a few individuals, mostly socialists, in the labor movement who believe in paternalism in government, but the vast army of wage earners prefer to regulate their own affairs." He also instanced the address of Samuel Gompers before a committee in Congress in April, opposing the Health Insurance bill and quoted also from the address by Hugh Frayne of the American Federation of Labor, opposing the adoption of a Health Insurance law. The New York State Federation of Labor vigorously protested the adoption of the sickness insurance bill proposed in that State and which, I might add, was defeated. He concluded his paper by calling attention to the fact that men who were below the standard of health would be refused employment as the employer would feel that he would be taxed to support the man in event of sickness. Various other objections, too numerous to mention, were included in this paper.

4. Will the present high standard of medical service rendered to the people of the State be lowered by such a law, as it has admittedly been lowered by the passing of the Workmen's Compensation Act; and what effect will the proposed measure have on the doctor's income?

The writer of this paper believes that it is high time that the medical profession of the State of California, instead of spending their efforts ferreting out examples of incompetency of the members to spread before the eyes of the laity, should call attention to the fact that the people of California receive at the present time from the medical profession as a whole, the highest grade of medical

and surgical service received by any people in any commonwealth of the world. This is not a statistical paper, as stated before, but the investigations of the writer of this paper at the present time compel this conclusion.

Perhaps one should apologize for mentioning such a sordid thing as the doctor's income, which Dr. Rubinow states should never rise above a bare living, but regarding the effect of the proposed law upon the incomes of the medical profession, the writer has recently been informed by a San Francisco physician, who resided for some time in the home of a hard-working physician in Germany, that this gentleman, under this system, received fifty pfennigs a visit,—about twelve and a half cents, but as the physicians went out on what was practically a strike and with great effort secured improvement in the law, conditions were improved to such an extent that they now receive twenty-five to thirty-five cents per visit. Efficient Germany with its marvelous industries and wonderful organization is able to pay her physicians this fee. What Russian and Roumanian physicians receive under compulsory insurance laws, not being a microscopist, I have not endeavored to ascertain.

A few days ago in one of the Federal Courts of this city, fees to the extent of \$269,000.00 were awarded some lawyers for services rendered a sick corporation. The judge, in awarding the fees, remarked that he considered them very reasonable. How long will it be, after the passage of a few more measures reducing medical fees, before all the active and alert take up the legal profession and leave only the dolts and dreamers to worship at the shrine of Hippocrates?

5. Can the proponents of the measure after they have agreed among themselves, if that be possible, give any assurance that the measure, as presented to the Legislature, will be accepted and made into law without amendments which would entirely change any or all of the provisions?

It has been estimated that about 2% of the practise of the State comes under the Workmen's Compensation law. It is estimated that over 50% of the medical work of the state would come under a health insurance law. A committee of the Los Angeles Medical Society last spring issued a statement that the private casualty companies writing insurance under the Workmen's Compensation Act, had sent out of California somewhere between two and three million dollars in profits to the stockholders on the fraction of insurance written by them. If this was their profit, operating under a bill which gave them less than two per cent., it gives some idea of what the profits would be if they controlled over fifty per cent. of the practice of the state.

Now as practical men, and doctors can sometimes be practical, do you not know that any measure presented to the Legislature that does not permit these companies to write this type of insurance will be most vigorously opposed by them? With such enormous profits at stake they can afford to spend a vast sum to educate legislators who do not see the light. The writer believes that the Legis-

lature, which numbers among its members christian science practitioners, osteopaths and adherents of every so-called school of medicine, will amend any bill on health insurance presented for its consideration to such an extent that the framers of the measure would be unable to recognize it as the one proposed by them.

Lest we forget, remember that the last Legislature passed a drugless physicians' bill, permitting any one, without regard to educational qualifications, to practise the healing art; the Governor vetoed the bill.

To ask the medical profession to favor the proposed law at the present time is like placing a sealed package on the table and asking you if you will accept and keep its contents. The package may contain a magic wand that will solve all of the vexatious problems of life and bring you happiness or prosperity—or it may contain an infernal machine that will blow you to Kingdom Come.

The writer's idea is that these gentlemen who are so much in favor of the proposition should be asked to remove the sealed package to some safe place at a reasonable distance, open it carefully and expose its contents to our view. If it looks good we can accept it, but having accepted one such package in the Workmen's Compensation Law, let us insist that this one be kept out of the statutes until ample time has been given us to contemplate and understand whether it will do something for us or something to us. And finally, let me draw your attention to the fact that this society has appointed a committee to study the subject. Its meetings will be an open forum and you are earnestly requested to attend its meetings and assist in some form of practical organization that will give a united profession power and influence to demand fair and reasonable treatment under any measure which may be enacted into law.

#### Discussion.

Dr. Rubinow: Dr. Graves began his very interesting paper with a series of five questions, and perhaps an effort to reply to these questions is more important than carping criticism of various statements made in the paper.

1. Is a system of Health Insurance necessary for the State of California?

The case for health insurance is not limited to conditions in California. It is based upon general conditions in any industrial community where the problems of wage labor exist. So much may be said in reply that perhaps the best method is to refer to the enormous amount of literature published on the subject that is so rapidly growing. Perhaps I may be excused by referring to my own book on "Standards of Health Insurance" and to other numerous pamphlets. All arguments in favor of health insurance must necessarily reduce themselves to the fact that the wage worker who is ill is unable to work, has a very serious economic problem to face, and is frequently unaided, especially because sickness means not only interruption of income but causes unusual unexpected expenditures.

But is there anything specific in the California conditions of wage-workers that makes health insurance unnecessary though the need of it has been found to exist in most industrial countries? It is not necessary to deny that wages are higher in California than in Germany, or even in most

of the United States. But after all, what good is the higher level of men's wages to his widow, or even to his wife, when he is sick? Higher wages mean, and should mean, higher standards of living, but seldom mean a sufficient surplus to enable one to meet the crisis caused by sickness. Besides the high wages of California are sometimes grossly exaggerated by enthusiastic Californians. Official statistics of your own state indicate that in manufactures 60% of the male workers get less than \$18.00 a week; 30% get even less than \$14.00 a week. Of women employed in manufacturing establishments, 90% get less than \$14.00 and 65% get less than \$10.00 a week. In other occupations such as mercantile establishments, laundries, restaurants, etc., 65% of the women get less than \$10.00 a week and 40% get less than \$9.00 a week.

Organized labor in California is justly proud of its achievements in improving conditions of labor, but even among members of labor organizations, according to statistics compiled from official California sources, 68% get less than \$25.00 a week and 30% get less than \$20.00 a week.

How far this weekly income is cut into by prolonged periods of unemployment is a matter of general observation. I submit that one does not need to be a professional statistician to recognize that persons of such wage incomes are not in a position either to stand the loss of wages during a prolonged illness nor to pay the ordinary fees of private practice.

The medical profession may be justly proud of having established in California a very fair standard of remuneration, but for this very reason a statement made by a prominent physician that "no good physician can afford to practise among the wage workers for what the wage-workers can afford to pay him," at present is nowhere as true as in California. The sooner the medical profession recognizes this obvious fact the better.

There are four ways open to the majority of wage-workers in meeting the problem of the cost of medical aid.

a. He can sometimes obtain free medical aid through a charitable channel, and thus indirectly exploit the medical profession, which at present receives no remuneration for this charitable work.

b. He can incur a large medical bill and forget to pay it, thus increasing the doctor's percentage of bad collections.

c. He can assume heavy obligations and then struggle for years in an honest effort to meet them, and the commission is in a position to quote hundreds of such cases among the working men and women of California where bills of \$100 to \$300 are being met by persons whose average earnings are \$15 and \$10 a week or lower.

d. He can go without medical aid, and it is only too well known what a large proportion of illness among wage-workers goes untreated for such reasons at present.

The question is whether the medical professions are satisfied that these four alternatives, and only these, should be put before the majority of our wage-workers. Does the medical profession think it satisfactory from the point of view of the health of the individual patient or public health? And to look at it from the opposite point of view is that a situation which is most advantageous to the medical profession even in a financial way. Where the entire cost of aid to our wage-workers is being met at a tremendous sacrifice by a few individuals with a hyper-fine sense of honesty while the majority are forced to become either applicants for charity on deathbeds or invalids for lack of medical care, is not the medical profession ready to admit that the fifth method, the method of insurance, is preferable, through which method the wage-workers collectively, and with the assistance of industries and the state are enabled to purchase the

services for which individually they cannot pay? Almost all of Europe has proven the feasibility of this insurance method. Is it scientific to reject this just because it is an European and not an American invention? Is the system to be condemned for no better reason than even Russia and Roumania have learned to use it? There are now no geographical limitations to progress of science, either natural or social. We use freely the fruits of European progress in medical science, even in military science. Why not learn something of their social methods just as they are learning of ours?

Perhaps I may remind Dr. Graves that compensation has also been imported from Europe and that the same arguments were used five years ago about compensation that are being used against health insurance now, and in my mind only adds to the levity of the situation that even the arguments against those methods have been imported from Europe, the only difference being that those arguments are sometimes over thirty years old. Of course I recognize the tremendous force of the one novel American argument that Dr. Graves has put forth against the health insurance agitation and that is the significant fact that "there are in California 200,000 automobiles, including Fords." The peculiar result of this situation is that while an automobile may add a good deal to the pleasure of the owner, it only adds to the hazard and disgust of the other members of the community, so perhaps it should be used, if anything, as an argument in favor of accident insurance.

In any case I am ready to agree on the spot to any amendment to a health insurance act which would exclude from its advantages, as well as its obligations, any owner of an automobile.

2. Putting Dr. Graves' second question in a somewhat more concise form, will the beneficiaries of the system be given entire freedom of choice of physicians, or will they be forced to accept service of cut-rate physicians selected by insurance companies? The three months of my work in California have been entirely wasted and twenty-five public addresses have been made to no purpose if I can still, at this stage, be confronted with the charge that I propose to place the administration of this social reform in the hands of private insurance companies. I have stated repeatedly that the business of health insurance must be left in the hands of people who contribute to it and derive benefit from it; that the only rational plan of organization is for local mutual association administered jointly by employer and employee under strict state supervision.

Whatever the insured community is able to pay for medical aid the physician should receive, and the community should not be asked to pay more than what the physician considers a fair remuneration for his work. There is no place for an intermediary deriving profit from the system by charging the consumers more than they ought to pay and paying to the workers less than they ought to get.

I am not quite certain as to what Doctor Graves means by "entire freedom" of choice. No one except the very richest can claim such entire freedom of choice at present. The common people can only choose the physician whom they can afford to pay, and notwithstanding any official fee schedules, I have learned enough about the local situation to know that there is a reasonable range of fluctuation in rates actually charged. Conditions of payment for medical services will have to be determined by agreement between the insurance carriers and the medical profession through some form of collective bargaining. In that sense it will have to be in the nature of contract practise. By which I mean to say that the situation is altogether inconceivable under which

the cost of the service under any organized system of health insurance would be determined by individual bargaining at the time, and the services rendered on a different basis every day. Whatever those conditions may be, undoubtedly some physician will be found whose clientele is of such a nature that they will not care to accept the work under a health insurance plan. After all, all medical science and all medical art are not necessarily limited to those who practise among the wealthy. But as physicians willing to accept terms agreed upon, provided they come up to a reasonable standard, again to be agreed upon by the medical profession itself, there should be, in my opinion, freedom of choice of physicians. That at least is the consensus of opinion of the most thorough European students of the problem, and while I cannot speak officially at this time for any governmental commission—that in my opinion will be the form of organization that will eventually develop. As to what the terms should be is very largely up to the medical profession itself, provided they agree to the general principles of health insurance, and make an effort to arrive at an agreement among themselves as to how medical aid shall be organized.

I am not certain as to what Dr. Graves has in mind when referring to "cut-rate physicians." The medical work for a million wage-workers and possibly for another million of their dependents cannot be done by a few, and one-half of the medical profession cannot all be "cut-rate physicians." But if cut-rating is an evil, surely every physician who has his eyes open must recognize the fact that all the opportunity for individual competition on a base of a cut price for services exists now, and that these opportunities must be greater when the medical work is paid for in an individual confidential transaction as against the system under which the terms for payment of services are publicly known.

3. Are the people who are supposed to be benefited by this law desirous of such a measure?

In an effort to give a negative answer Dr. Graves quotes from isolated expressions of opinion of representatives of organized labor. Of course even at this stage of the campaign for health insurance, wage-workers have not shown any desire for the measure, but that in the opinion of a physician should not be a decisive argument against it. After all, patients feel the need of efficient remedies, but it is to the doctor to determine which remedy will be efficient. That rule may hold true of social ills as well as of bodily ills. The fact that children cry for castoria may not be a convincing argument that castoria is always indicated. Patients do not constantly clamor for quinine, arsenic or mercury. Labor in the past raised objections to compensation, to minimum wage, to regulation of hours. Three months ago that would have been the only reply that I could have conscientiously made, but in the present social insurance campaign things are moving very rapidly and three months is a very long stretch of time. The views quoted by the doctor date back three or four months. Since then, however, three state federations of labor in Wisconsin, New Jersey and Massachusetts endorsed health insurance in their conventions, and in addition, four national labor organizations, to-wit:

International Union of Steam and Operating Engineers;

Glove Workers' International Union, Chicago;

International Typographical Union;

United Hebrew Trades of New York City.

Unless I am very much mistaken it will not be very long before labor of California, organized or otherwise, will see the wisdom of a similar step.

4-a. Is there danger that the present high standard of medical service will be lowered by a health insurance law?

Surely it is the opinion of the advocates of health insurance that the exact contrary will be the result. The whole campaign for health insurance derives most of its support from the expectations of the improvement of public health, which it must result in. The United States Public Health Service and the President of the American Medical Association would not have come out as definitely as they have in favor of health insurance if it had not been for the evident necessity for it from the point of view of improvement of public health. I cannot conceive how an organization resulting in giving medical aid in all its branches, including specialists, hospitals, nursing, etc., could result in anything but an improvement of public health.

The quality of medical service rendered to the people of California depends upon the technical training and ethical standing of the medical profession of California. The medical work to be done under a health insurance law is of too large a volume to be monopolized either by a few best or a few worst physicians. I shall not insult the medical profession by assuming that the quality of its work will depend upon the form or amount of payment for services. If such a dependence existed what would our opinion of the quality of free medical aid given in hospitals and dispensaries have to be?

4-b. What effect will the proposed measure have on the doctor's income?

Let us assume that that is the distinct point of view from which the medical profession wants to approach the problem of health insurance. (Personally I do not think it is.) Evidently the effect will depend upon the rate at which medical services are paid. No health insurance law should assume to regulate that in a legislative way. Some of you may be enthusiasts of minimum wage legislation, but I have never met any such enthusiast who would be willing to insist that the medical profession shall need the protection that may be obtained from the minimum wage law.

The rate of pay for medical service must be agreed upon by the insurance carriers and the medical profession, and I for one have the sincerest hope that the medical profession will see its way to apply to the method of collective bargaining rather than individual competition.

Naturally, at this time, before any bill has even been framed, it would be idle to discuss the details of the rate of payment. But that much is certain—a health insurance law increasing the amount of medical work done, which at present remains undone, because people who have no means do not apply to the physician except as a last emergency. Several investigations in this country have established the fact that anywhere from 30% to 50% of sickness among wage-workers remains without medical care, and the enormous increase in the demand for medical aid in Great Britain as a result of the health insurance act is a matter of historic record. Health insurance will do away with a very large proportion of the charitable work done at present, at least in so far as employed wage-earners are concerned. Health insurance will do away with the evil of uncollectible bills as far as insured persons are concerned.

It seems obvious, therefore, that the total income of the medical profession must increase even though the work among insured persons will probably be done at a lower rate per unit of service than is being done at present. After all if the California physicians really deserve the reputation they have for being better and more progressive business men than their colleagues in the east, they want to understand that in the final analysis it is the total income and not the high rate per unit of service obtainable or payable that matters.

5. The last question that Doctor Graves asks is what we New Yorkers would call a "clincher." Dr. Graves wants us to give assurance that the measure as presented to the legislature "will be accepted and made into law without amendments, which would entirely change any or all of the provisions."

May I respectfully ask what would become of all the legislative reforms, what would become of the advocacy of any necessary changes if guarantee like that would be demanded of the disinterested public men and women working for reform. The state of California is a sovereign state. It has always assumed a republican form of government; the people will have the sort of legislation which they desire and have sense enough to insist upon. No framer of legislative project has either a legal or a moral right to insist upon the inviolability of his plan to its minutest details. Health insurance is a measure which affects the medical profession directly, but it is also a measure of such tremendous importance for our public health that it is the duty of the medical profession to watch carefully such a proposal throughout its legislative history, both from its own point of view and from the point of view of public interest. What right has the profession then to remain inert and be willing to accept somebody else's guarantee that dishonest effort will not be made to sidetrack the real purposes of the law? Here you are, six thousand of you, all men and women of education and influence within the limits of your communities. Put the combined enthusiasm and energy of those six thousand men and women together and the force thus gathered should be sufficiently great to prevent anything from destroying and injuring the real social purposes of the law in its passing.

Dr. Asa W. Collins: Dr. Graves stated that the quality of the surgical services rendered workmen under the compensation act were inferior to the surgical services rendered prior to the passage of this act. I would like to ask Dr. Graves his authority for that statement.

Dr. W. C. Voorsanger: I want to ask Dr. Graves this question: If we do not have health insurance, how does he propose to take care of the vast number—not poor nor rich, but middle classes—suffering from chronic diseases, such as syphilis, tuberculosis, or carcinoma; particularly, as so often happens, when these affect the wage-earner. He can not pay to go to a private institution. Very often he has a little more means than will permit him to get into a public institution, and again, often the public institutions are full and cannot take him.

As to compensation insurance, if there are any cut rates, as far as the insurance companies are concerned, those rates have not been cut by them but by doctors themselves who are members of this Society.

Dr. B. A. Mardis: I would like to ask Dr. Graves if he knows what the attitude of the medical profession is in the countries that have adopted health insurance laws.

I would also like to ask Dr. Graves how he knows that the people in California receive the best medical service in the world.

Dr. A. S. Keenan: Just to keep the subject bubbling, it would interest me to know why we should make a radical change in the present condition. I am inclined to agree with Dr. Graves' paper. The large middle class—are they getting such poor attention? It is not always necessary that every patient should get the very best doctor. In the legal profession you do not need the best lawyer when you want to get a divorce. It is not necessary to have the very best surgeon or physician for an ordinary complaint. You get a man you can afford to pay, and his knowledge and experience is sufficient to carry you on.

We are now being underpaid, due to the insurance companies. Working men have increased their salaries in the last 15 years from 40% to 60% but have not increased their efficiency, while the medical men have increased their efficiency but have decreased their incomes. The doctor of to-day is a great deal better than the doctor of 20 years ago. We have increased our efficiency, work more hours, and get less for it. Along comes the compensation act, and this proposed health insurance for the companies to manipulate the members of the society with. The manager of the insurance company will take down his phone and call and ask one of them to go to some hospital to see my patient, and he does this at cut rates without saying a word to me about it. Medical ethics are now destroyed by the men who are supposed to uphold them. The medical profession will become hired men, working for small salaries under the insurance companies.

The poor are getting the best of service now, and the great middle class is getting about as much as they need. If they want more, they can go out and call in a consultant.

Dr. Graves, closing: I want to state first that I am inclined to believe that the chief object of writing my feeble paper has been accomplished, for it was this: to stimulate members of the medical profession, and especially those who are actually practising medicine—not men who are interested in other things, all kinds of governmental and social problems—to take an active interest in this important thing. If you do not take care of yourselves you will be hindmost. If I have stimulated a little interest among you busy men, I have accomplished something worth while, I hope.

Dr. Mardis asked me if I knew what the attitude of the profession in Europe had been toward health insurance. I have understood that the German physicians objected most strenuously to it, and I have read such statements. In England, I happened to be with Sir William McEwen the day that the British Parliament passed this measure. He was visibly affected by the news, and he said: "That means the death of all the ideals of British medicine."

You ask me how I know that the people of California receive the best medical care. I have been studying that problem of late and was stimulated to do so by the statement of Dr. John B. Murphy, who said the last time he was in California, that Minnesota, next to California, gave to its people the best medical and surgical service of any state or commonwealth in the world. Next day I asked him if I understood aright, and he said I had, that he had got it in studying statistics for his yearbook.

Dr. Rubinow said that the profession of California was better paid than anywhere in the world. That is why the California physician goes to Vienna, to Berlin, Paris, London, to the Mayos and Johns Hopkins, and makes himself a better man by doing it. You will find these men scattered all over the state of California, and you older men must be aware of the fact that much better work is being done.

Dr. Collins wanted to know about my statement that the work done under compensation is not as good as prior to that law. Dr. Gibbons made that statement at the Commonwealth Club.

Dr. Morton R. Gibbons: I made the statement that the average surgical work in California since the workmen's compensation act went into effect had been less satisfactory than before, in my opinion. My explanation was that whereas before the law went into effect the major part of that surgery was done by county hospitals, and the service was from average to excellent, now, be-

cause of the provisions of the law, it had fallen into the hands of individuals who do that work simply because there is a fee in it, and have not the requisite skill nor experience.

Dr. John Graves: Dr. Voorsanger asked a question that is certainly a very vital one. What are we going to do with the people who have cancer, tuberculosis and those chronic wasting diseases? That is a great problem, and I do not see that health insurance entirely solves it. First of all, the man must have a job and be at work before he comes under the provisions of the act. You will always have the sick poor with you. My personal idea is that as we have county hospitals that care for the sick with ordinary diseases, so we will have to have county hospitals or state sanatoria where they can be sent under our present system.

Dr. Rubinow's answer to my first question, though of considerable length, is not very satisfying. He says the case of health insurance is not limited to conditions in California. Certainly it is health insurance for this state that we are considering. Quotation of wages paid in our factories are not of much force as we are not a manufacturing community, but having paid some attention to the subject, I will say that it would be most amusing to observe the efforts of any one endeavoring to employ a considerable number of individuals in this community at the wages he has quoted. One of the leaders of labor in this state, in a recent address, said: "Throughout our state organized as well as unorganized workers have made substantial gains; and while the general wave of prosperity has not reached all lines of industry, taken as a whole, labor has enjoyed a most prosperous year. Indications seem to point to another year of progress and prosperity."

If Dr. Rubinow is going to exclude every owner of an automobile in California from the provisions of this act, a good many wage-earners will escape the health insurance law.

Dr. Rubinow has mentioned before the case of a girl earning \$8 a week who was charged a surgeon's fee of \$300. I have asked over 40 San Francisco surgeons what their fee under such circumstances would be and with a single exception they would not accept any fee at all. The one exception said his fee would be nominal. Would it not be as reasonable to condemn religion for the acts of an erring clergyman as to judge the profession by the act of a medical extortionist? The truth of the matter is that any decent man or woman in California, regardless of their financial condition, can obtain prompt efficient medical service from members of the medical profession for what they can reasonably afford to pay. On many a doctor's desk is some little gift, an offering from some grateful soul who could not afford to give more, that is prized as highly by him as are the more substantial offerings of those possessed of abundance. Rob everything worth while of all its sentiment and it no longer remains worth while. You may call this individual instead of collective bargaining, but it is not entirely unsatisfactory.

Dr. Rubinow states that whatever the insured is able to pay the physician should receive. This appears to be quite at variance with his previous statement, which was: That whenever a doctor makes anything beyond a living out of his profession, that it ceases to become a profession and becomes a business. Or with his other assertion: That the greatest misfortune to medicine has been the fact that a few men in this country have accumulated fortunes from their practise.

His opposition to casualty companies writing this type of business for profit is gratifying, for we know that if such were permitted there would

be no freedom on the part of the insured to select his medical attendance. But we don't know that these corporations will not be permitted to engage in this business. They have certainly succeeded in remaining in the field to write compensation insurance.

And finally, the attitude seems to be that the desires of the people that are supposed to be benefited by this act are of no importance, because they are not competent to judge. If, as the doctor has stated, this is a republican form of government where the people will have the kind of legislation they desire and have sense enough to insist upon, is it not reasonable that we should at least give due weight and consideration to their opinions?

### THE PROPOSED SOCIAL HEALTH INSURANCE ACT.

By DONALD M. GEDGE, San Francisco.

On Tuesday, September 12th, 1916, personally appeared before the County Medical Society of San Francisco, Dr. J. L. Whitney, who delivered a paper on "Cooperative Medicine to Social Insurance," and Dr. J. M. Rubinow, Consulting Actuary to the Social Insurance Commission of California, who read a paper on "The Judicious Attitude Toward Health Insurance."

Such a feast of theoretical and fantastical viands has seldom been offered to the medical fraternity of California; and, were it not for the evident earnestness of those who delivered it, indignation would certainly have added to the violent mental indignation that overwhelmed the doctors present. To be sure we appreciate the paternal and eleemosynary fantasy that is now sweeping over the land. Inconsistency and absurd theories have no longer found a place in European fields, where the unfortunate people are engaged in more portentous things; so the bacillus prodigeosis of socialistic vagaries has been transported to America, where it, apparently, is finding a pabulum upon which to glut its voracious appetite. The probabilities and possibilities of a social insurance plan against sickness, etc., as outlined by Dr. Whitney in his able dissertation, are quite admissible; but the *raison d'être* is another question. Exploitation of academic questions by an academician is always of interest and duly convincing, provided an admissible syllogism obtains with a rational premise. In this instance we are not willing to admit Dr. Whitney established any such tenable position.

The argument advanced by Dr. Rubinow was energetic and utilitarian, but wholly without weight from the medical man's standpoint. This is not an epoch of maudlin sympathy, but of practical rationalism. It is not a field for Utopian dreams or practices that shall make of the medical man a veritable tatterdemalion, but one of endeavor, application and reward. Already the burden of life has fallen upon the vast concourse of humans, composing the so-called middle class, while misconceived sympathies are being extravagantly squandered upon the undeserving, wasteful and improvident. Herein lies the productive field for the Socialist, the reformer and so-called social worker. While we admit the successful application of the principles of Social Health Insurance

obtaining in certain overcrowded countries of Europe, we must also admit that in these countries the medical man has been commercially and financially placed *hors de combat*. His position as a scientist and learned member of the community has been circumscribed and restricted by legislation, and his remuneration reduced to the lowest possible stipend, consistent with the dignity and learning of his profession. To say that the income, generally speaking, of British medicos has been augmented by such legislation as has occurred in England, is a senseless argument. Many were mulcted by this law, and the reduction of the fees formerly obtaining does not warrant any supposition that adequate or really good service obtains. To say that either the medical men of England, Germany or Austria are jubilant over burdens they bear, is an absurdity too gross for contemplation. Not one of them would willingly assume them, despite the word-pictures of social workers, who are borne away on the tides of enthusiastic devotion to a cause rarely worthy of real sympathy. How any one of experience can contrast the conditions of over-crowded Europe with free, liberty-loving, broad, prosperous America, and draw any worthy picture calling for the practical pauperization of the medical profession of this country, is difficult to comprehend and is unworthy of consideration.

If we regard only the State of California, with a population almost less than the city of Chicago, with its millions of broad, unoccupied acres of rich land, its farmers and agriculturists crying for labor, its wage scale the highest in the land, its homes open for hundreds of domestics, at present unobtainable; we see, at once, this demand for Social Health Insurance is unwarranted and has no place here. Practically this condition is universal. Poverty, existing in large centers is rarely worthy of sympathy; and maudlin fanatics often make capital out of conditions that would easily be adjusted if practical charity, unobtrusive and without ostentation could be placed in control. Strange, is it not, that nearly all of the so-called social uplifters, especially of the male persuasion, should be of foreign birth, who find their chief occupation centered in administering to the delinquencies of our foreign population? So, is it not true, that most of the poverty, so-called, and squalor and unhygienic conditions, are found where certain commercially active foreigners congregate and ply their vocations? People who are accustomed to deprivation and endowed with super-frugality, cry incessantly for charity, if it availeth some profit.

In this open west country these conditions and these people do not predominate. What little poverty was observed by me during many years' practice, in the poorer sections of San Francisco, was almost invariably due to improvidence, intemperance, immorality, and utter disregard for ordinary industry. What little of real worthy poverty existed was more than provided for by the unreserved and willing attention of generous medical men and clinics, as far as the need for medical